



Entered on Docket
November 14, 2006

Hon. Linda B. Riegle
United States Bankruptcy Judge

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Attorneys for Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:
USA COMMERCIAL MORTGAGE COMPANY,
Debtor.

Case No. BK-S-06-10725 LBR
Case No. BK-S-06-10726 LBR
Case No. BK-S-06-10727 LBR
Case No. BK-S-06-10728 LBR
Case No. BK-S-06-10729 LBR
Chapter 11

Jointly Administered Under
Case No. BK-S-06-10725 LBR

In re:
USA CAPITAL REALTY ADVISORS, LLC,
Debtor.

In re:
USA CAPITAL DIVERSIFIED TRUST DEED FUND,
LLC,
Debtor.

In re:
USA CAPITAL FIRST TRUST DEED FUND, LLC,
Debtor.

In re:
USA SECURITIES, LLC,
Debtor.

Affects:
 All Debtors
 USA Commercial Mortgage Company
 USA Securities, LLC
 USA Capital Realty Advisors, LLC
 USA Capital Diversified Trust Deed Fund, LLC
 USA Capital First Trust Deed Fund, LLC

**ORDER APPROVING FIRST INTERIM
APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR (I)
MESIROW FINANCIAL INTERIM
MANAGEMENT, LLC AS CRISIS MANAGERS
FOR THE DEBTORS; AND (II) THOMAS J.
ALLISON OF MESIROW FINANCIAL
INTERIM MANAGEMENT, LLC AS CHIEF
RESTRUCTURING OFFICER FOR THE
DEBTORS DURING THE TIME PERIOD
APRIL 14, 2006 THROUGH JULY 31, 2006**

Date: September 28, 2006
Time: 9:30 a.m.

1 This matter came before the Court upon the first interim application (the “**MFIM First**
 2 **Interim Fee Application**”) for compensation and reimbursement of expenses for (i) Mesirow
 3 Financial Interim Management, LLC (“**MFIM**”) as crisis managers for USA Commercial
 4 Mortgage Company, USA Capital Realty Advisors, LLC, USA Capital Diversified Trust Deed
 5 Fund, LLC, USA Capital First Trust Deed Fund, LLC and USA Securities, LLC, debtors and
 6 debtors in possession herein (collectively, the “**Debtors**”), and (ii) Thomas J. Allison of MFIM as
 7 Chief Restructuring Officer for the Debtors during the time period April 14, 2006 through July 31,
 8 2006 (the “**Interim Period**”). The Court finds that due and adequate notice of the MFIM First
 9 Interim Application has been given. All comments and objections having been filed, including
 10 those of the United States Trustee, Joseph Milanowski and Thomas Hantges, the Official
 11 Committee Of Unsecured Creditors, JV Direct Lenders, Roy Ventura, the Richard and Shelia
 12 McKnight 2000 Family Trust and Richard McKnight Sep-Ira (collectively known as the
 13 “**Objections**”), have been resolved or overruled consistent with the provisions of this Order. A
 14 hearing having been held and the Court being fully advised in the premises:

15 **IT IS HEREBY ORDERED THAT** MFIM’s interim compensation for professional
 16 services rendered to the Debtors during the Interim Period in the amount of \$3,364,398.00
 17 (representing 100% of the actual fees incurred during the Interim Period) is hereby approved and
 18 awarded; and

19 **IT IS FURTHER ORDERED THAT** MFIM’s interim allowance for reimbursement of
 20 expenses incurred by it in connection with its representation of the Debtors during the Interim
 21 Period in the amount of \$213,812.00 (representing 100% of the expenses incurred during the
 22 Interim Period) is hereby approved and awarded; and

23 **IT IS FURTHER ORDERED THAT** MFIM and the United States shall, within 60 days
 24 after entry of this Order, meet and confer to attempt to resolve the United States Trustee’s
 25 informal fee objection or comments to the MFIM First Interim Fee Application. After conferring,
 26 if the United States Trustee believes a continuing objection is warranted, the United States Trustee
 27 shall file that objection with the Court and notice it for hearing in accordance with the procedures
 28 in place in this matter. To the extent that any portion of the United States Trustee’s objection is

1 upheld by the Court, any reduction in fees may be offset against future fees awarded to MFIM.
 2 The obligation to meet and confer to attempt to resolve the United States Trustee's information
 3 objection or comments is not a condition precedent to this interim award or payment of MFIM's
 4 fees and expenses as set forth herein; and

5 **IT IS FURTHER ORDERED THAT** the award of compensation and reimbursement
 6 approved and awarded to MFIM in the total amount of \$3,578,210.00, which includes
 7 \$3,364,398.00 in fees and \$213,812.00 in expenses incurred during the Interim Period, shall be
 8 allocated among the Debtors' estates as follows, on a temporary basis, subject to objections to the
 9 allocated amounts that may be filed only by the USA Commercial Mortgage Company
 10 ("USACM") Unsecured Creditors Committee ("UCC"), the First Trust Deed Fund ("FTDF")
 11 Committee and the Diversified Trust Deed Fund ("DTDF") Committee prior to the deadline for
 12 objections to the final fee allowance or such other date as may be agreed to by the signatories
 13 hereto:

- 14 (a) 80.0% of fees and expenses or \$2,862,568.00 to the estate of USACM;
- 15 (b) 9.375% of fees and expenses or \$335,457.19 to the estate of USA Capital
 Diversified Trust Deed Fund, LLC;
- 16 (c) 9.375% of fees and expenses or \$335,457.19 to the estate of USA Capital
 First Trust Deed Fund, LLC;
- 17 (d) 0.75% of fees and expenses or \$26,836.58 to the estate of USA Securities,
 LLC;
- 18 (e) 0.50% of fees and expenses or \$17,891.05 to the estate of USA Capital
 Realty Advisors, LLC; and

19 **IT IS FURTHER ORDERED THAT** the above amounts are hereby allowed as priority
 20 administrative expenses pursuant to 11 U.S.C. §§ 503(b)(2) and 507(a)(1) in the respective
 21 bankruptcy estate to which they have been allocated, subject to all provisions of this Order; and

22 **IT IS FURTHER ORDERED THAT** the Debtors are hereby ordered and authorized,
 23 pursuant to 11 U.S.C. §§ 330 and 331, to pay the above amounts from the respective estate to
 24 MFIM as set forth herein, provided that:

1 (1) MFIM shall be paid the amount it initially allocated to the USA Capital First Trust
2 Deed Fund, LLC estate in the MFIM First Interim Fee Application, *i.e.* 2.9% of
3 fees only or \$98,861.00, from the USA Capital First Trust Deed Fund, LLC estate;
4 and

5 (2) the additional amount allocated to the USA Capital First Trust Deed Fund, LLC
6 estate under the UCC settlement, *i.e.* \$236,596.19 (the “**Additional Amount**”),
7 shall be paid initially by the USACM estate, pending resolution of disputes over
8 inter-estate claims between the USACM estate and USA Capital First Trust Deed
9 Fund, LLC estate, and with a full reservation of the FTDF Committee’s right to
10 contest the Additional Amount allocated to the USA Capital First Trust Deed Fund,
11 LLC estate if no agreement is reached; and

12 **IT IS FURTHER ORDERED THAT** the MFIM First Interim Fee Application, as well as

13 this award, are interim in nature as provided in the Court’s Administrative Order Establishing
14 Procedures for Interim Compensation and Reimbursement of Expenses of Professionals entered
15 August 29, 2006 (Docket No. 1202).

16 Submitted by:

17 RAY QUINNEY & NEBEKER P.C. and
SCHWARTZER & MCPHERSON LAW FIRM

Approved / Disapproved by:
OFFICE OF THE U.S. TRUSTEE

19 By:

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22 Approved/Disapproved by:
23 LEWIS AND ROCA, LLP

Approved/Disapproved by:
GORDON & SILVER, LTD.

24 By:

25 SUSAN M. FREEMAN, ESQ.
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26 *Counsel for the Official Committee of
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Mortgage Company*

By:

27 GERALD M. GORDON, ESQ.
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28 *Counsel for the Official Committee of
Holders of Executory Contract Rights of
USA Commercial Mortgage Company*

**ORDER APPROVING FIRST INTERIM APPLICATION FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR (I) MESIROW FINANCIAL INTERIM
MANAGEMENT, LLC AS CRISIS MANAGERS FOR THE DEBTORS; AND (II) THOMAS J.
ALLISON OF MESIROW FINANCIAL INTERIM MANAGEMENT, LLC AS CHIEF
RESTRUCTURING OFFICER FOR THE DEBTORS DURING THE TIME PERIOD APRIL 14,
2006 THROUGH JULY 31, 2006**

Approved/Disapproved by:
ORRICK, HERRINGTON & SUTCLIFFE LLP
and BECKLEY SINGLETON, CHTD.

Approved/Disapproved by:
STUTMAN TREISTER & GLATT, P.C. and
SHEA & CARLYON, LTD.

By: _____

By: _____

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JONES VARGAS

Approved by:
LAW OFFICE OF RICHARD MCKNIGHT

By: _____
JANET L CHUBB, ESQ.
Counsel for Direct Lenders-Beneficiaries

By: _____
RICHARD MCKNIGHT, ESO.

Approved by:

#

In accordance with LR 9021, counsel submitting this document certifies as follows (check one):

2 _____ The court has waived the requirement of approval under LR 9021.

3 No parties appeared or filed written objections, and submitting counsel represents the
4 Trustee.

5 X I delivered a copy of this proposed order by email on October 23, 2006 to all counsel
6 who appeared at the hearing, any unrepresented parties who appeared at the hearing, and any
7 trustee appointed in this case, and each has approved or disapproved the order, or failed to
respond, as indicated below:

8 || Failed to respond:

Office of U.S. Trustee

Gordon & Silver, Ltd.

Orrick Herrington/Beckley Singleton

Jones Vargas

Law Office of Richard McKnight

Law Office of Russell Walker, Esq.

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